

PRESENTATION OF PPP POLICY/GUIDELINES
TO THE MONTGOMERY COUNTY PLANNING BOARD
NOVEMBER 13, 2003
7:00PM

Good evening. I'm not going to spend a lot of time tonight going over the details of the policy and guidelines that I have proposed for your consideration. You have had it for some time now and copies have been fairly broadly distributed. I think that most of the folks who are interested have had some time to read and digest both the policy and the report...and some will have an opportunity to give you their thoughts tonight.

I believe my time tonight can better be spent by speaking a little bit more broadly about why this policy is important to the Commission....and what it will take beyond the policy to really make a difference. Actually some of these thoughts may come across as little disjointed...which is probably not surprising to some to you. You'll just have to bear with me that there is a common theme here...and that is what it will take to make PPP work for the Commission.

I speak to you tonight as a person who has a long history of involvement and familiarity with your organization....but perhaps more importantly....the perspective I'm offering you is one from an independent observer.

There are a number of reasons why I believe adoption of this policy is important to the Commission....but one reason seems to stand out more than the others....and that is the economic challenges that you have before you. As pointed out in the staff cover, the Commission faces, for at least the the foreseeable future, the seriously conflicting dilemma of an increasing need for park facilities and services and a declining availability of tax support to provide them. The Superintendent of Schools just a couple of weeks ago added his billion dollar capital spending plan to his billion plus dollar operating requirement. The operating impact of the County Executive's billion dollar transportation plan will make for very difficult budget choices with competing needs in the public safety and human service priority areas. State support for all of these programs is declining. Not to worry, the economy is cyclical and it will recover and government revenues will once again rise.

But this inevitable economic rebound is not, in my judgment, going to provide you anywhere near the level of relief that you need for the gaps that you face. My belief is that your share of the tax pie, your historical percentage of the take, will simply not be as large as it has been in the past. The other demands for government funds are so different and so much more substantial today than they were when we rebounded from the last economic downturn in the mid-nineties, that I think it will be challenging for you to get the resources that you need to just adequately maintain what you have. Adding new inventory to respond to growth, and maintaining it...is another level of challenge altogether....and one I think you will need to be very creative to address. PPP, I hope and I believe, can be one arrow in your quiver.

the field are pretty consistent with their judgment that PPP most often happen because they are the only way, the only viable option available to get some critical need met in a timely way. The second reason is the pure and personal passion of some of the potential donor/partners out there about bringing their dream to reality. Let me say a word about each.

This policy is passive. It will only be effective if you actively and aggressively pursue the possibilities it lays out for you. And though the policy provides the framework for you to make informed and prudent decisions, it will be your willingness to be flexible, to be open to creative opportunities and to challenge your conventions that will determine the ultimate measure of your success. Let me give you a small example.

Your staff has been wonderful to work with on this project and we have had some healthy debates in a number of areas. At one point in our discussions I mentioned the possibility of a for profit restaurant on park property. The gasp in the room was both collective and audible and it was now clear to a number of people in that room that I had finally stepped beyond the bounds of reason and sanity. The role of your staff as protectors and stewards of public parkland is a really important role and one that they do a very good job with.

But I want to tell you a story about the PB Dye Golf Club. It is the closest daily fee course (i.e. privately owned but open to the public) to your Little Bennett course and certainly one of its greatest competitors. They face exactly the same problems that you do at Little Bennett with bad weather and increased competition. They have a revenue problem, just like you do...but it seems to me that they have gotten a little more aggressive in dealing with it. In addition to creating and marketing a much broader scale of fee options for their potential customers than we offer, they did something else I found quite interesting. They brought in the highly regarded chef from the Turning Point Inn in Urbana to both upgrade their overall food options and to offer catered dinners for meetings, parties and receptions. For a while during the summer they even offered an upscale dinner menu on Friday, Saturday and Sunday nights. This is a new endeavor and it will be a good while before any determination can be made if it is successful or not. The point is, they took action...even if it is an action that is associated with some risk of failure.

A building that sat empty and idle every evening now has the opportunity to produce non-golf related income to support their overall operations and bottom line. They don't appear to be looking at increasing fees or cutting maintenance or other measures that may well make the problem worse. As a by product of this approach, the food options for the daily golfers got a lot better. I'm guessing that that move not just increased food and beverage revenues, but it increased the likelihood of the golfer's repeat business to the golf course. Customers who are more satisfied with their experience. I don't know what business relationship the course owners have with this new chef...he may just be an employee. But it could well be a revenue sharing, partnership agreement. If that's the case their net cost would appear to be little or nothing while their net gain has the potential to be significant. They used their facility asset to partner with the service capabilities and reputation of the chef to create a potential win/win situation. Neither

could do it without the other. If it was a public golf course, this would be a PPP. It's not one. And even with our new policy in place, I'm not sure it's one that we would have actively sought out...or even conceived of... primarily because of our culture and our historical mindset. That may not be the greatest example but the message I'm trying to convey from it is that just having this policy on the books won't make these things happen. Where we have been is not necessarily where we need to go.

Please don't misunderstand me. I am not in any way advocating the unbridled use of public park land for private gain. I am strongly advocating for not just being open, but for actively searching for "win-win" PPP opportunities that will result in a positive net gain for the public park user. D.C. got the new Oyster school at no cost. The Postal Service got their museum at no cost. I think there are opportunities here....with both the profit and non-profit sectors. This policy will allow it. But it won't happen unless both the Planning Board and the Commission staff actively make it happen. I'm describing a change of culture and that will require some organizational fortitude, as all change does.

The second prime motivator for PPP's will again not be the policy, but the passion of the donor/partner. Bruce Adams first used that word "passion" with me when I interviewed him and he used it to describe himself as well as others who have come forward to partner with you. It's a very accurate description and one we need to have a better understanding of to manage our partner relationships. When you are passionate about something you have a burning zeal to get it done...no matter what. That can present some challenges, as you know. But it can also result in some marvelous outcomes...as you also know.

There are people who will come forward with passionate ideas that either don't fit with our mission or our priorities...or that require a public side investment that we can't afford...or that present a risk that is just too considerable to take. The policy is designed to flesh out these determinations and you should say "no" to these offers. But when the proposal is within your mission, fits your priorities and has a tolerable risk, you need to find the right "yes".

I'll remind you that experts in the field of PPP are very wary of partnership policies in general and there are very few actual policies in place. That's because they can restrict creativity and cause bureaucratic delays that are stifling to potential partners. In short, policies can get in the way of the "art of the deal" and they can be an easy way to say "no". We need to be vigilant and cautious that this doesn't happen with this policy.

We need this policy. We need it for establishing clarity of process, for creating priorities, for generating a rationale and criteria for making decisions....we need it to put both those inside and outside the organization on the same page. But we need more than this policywe need partners and donors. We need these people with a passion and a dream. We are in an enviable position in Montgomery County to have business and individual residents who have the means to help our public park system. We need to find them, we need to solicit them, we need to nurture them, we need to thank them. We don't need to just do this.....we need to do this very well because there are so many other competing

interests in our county who also need the private partner and benefactor...some for their very survival.

The Parks Foundation has to be a key player. The role defined for the Parks Foundation in the policy is substantial and their most important responsibility is to find those who have a willingness and ability to advance the Parks system and entice them to get involved. The structural tie that will bring the Foundation and it's Executive Director into a closer working relationship with your staff should improve communication, continuity and consistency and help all this to happen. I recommend that Planning Board set high goals and expectations for both the Parks Foundation and Commission team for PPP... and I recommend that you support them by offering creative ideas, identifying clear priorities, and making timely decisions.

So...I've said enough. You have my message that I strongly support the adoption of this policy and set of guidelines....but it is not this policy...but what you and the staff and the Park's Foundation do with it....that will make a difference.

Let close by reiterating the definition of PPP...the essence of what you are considering.... as it reads in the policy. I changed this definition about two dozen times until I was finally happy with it. Every word has meaning. PPP for the Commission will be the "voluntary and strategic joining of the Commission with an individual, group and/or organization(s), non-profit or profit, to achieve a common purpose by the sharing of resources, risks, responsibilities and rewards." I'll summary my statement by playing on those last four words...resources, risks, responsibilities and rewards. It will be a responsible action on your part if you adopt this policy as one way to address the serious lack of resources you face to meet growing park needs. It will be the risks you are willing to take to challenge your conventions, your culture and your traditions that will determine the ultimate level of your rewards.

Thank you for listening and thank you so much for the opportunity to work on such a meaningful project. Your staff has been terrific to work with and I want to thank them as well for their invaluable help and support. I'll be here and happy to answer any questions you may have now or later.

Charlie Steinbraker